## **REMARKS**

Claims 1, 3-5, 12, 14 and 17-24 are pending. By this Amendment, claims 1 and 3-5 are amended, claims 19-24 are added, and claims 2 and 13 are canceled. The claims are amended to even more clearly distinguish over the applied references. Independent claims 1 and 4 are amended to delete the "indicator" feature added in the previous Amendment and to add the features previously recited in dependent claim 2. Claims 19-24 correspond to previously canceled claims 8-11, 15 and 16 in which the independent claims (previous claims 8 and 15 -- now claims 19 and 23) are amended to include the features of claim 2. Thus, no new matter is added by the above amendments.

Claims 1, 2, 4, 12, 14, 17 and 18 stand rejected under 35 U.S.C. §103(a) over U.S. Patent No. 6,721,001 (Berstis) in view of U.S. Patent No. 6,507,363 (Anderson et al.), and further in view of U.S. Patent No. 5,528,285 (Morikawa et al.). This rejection is respectfully traversed.

As noted above, the features previously recited in claim 2 have been incorporated into all independent claims of this application. Thus, the independent claims recite that a subfolder is automatically prepared within the predetermined folder prior the storage of the transmitted digital images, which are then stored in the subfolder. In rejecting claim 2, the Office Action referred to Fig. 1 and col. 6, lines 50-62 of Anderson et al. Applicant respectfully submits that Anderson et al. does not disclose or suggest <u>automatically</u> generating a subfolder within a folder as recited in the independent claims of this application. The portions of Anderson et al. cited in the Office Action do not disclose that subfolders are automatically prepared. Column 6, lines 55-62 of Anderson et al. merely indicate that each folder will include a plurality of subfolders ...." There is no indication that the subfolders are automatically prepared as recited in Applicant's independent claims. At col. 8, line 18 - col. 9, line 15, Anderson et al. discloses preparing folders automatically, but Anderson et al. explicitly teaches that its method

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"eliminates the need for subfolders." See col. 7, lines 32-34 of Anderson et al. Accordingly,

Applicant respectfully submits that Anderson et al. does not suggest modifying the system of

Berstis as proposed in the Office Action. Withdrawal of the rejection and allowance of all

independent and dependent claims is requested.

Claims 3, 5 and 13 stand rejected under 35 U.S.C. §103(a) over the references applied

against claims 1 and 4, and further in view of U.S. Patent No. 6,784,925 (Tomat et al.). This

rejection is respectfully traversed with respect to claims 3 and 5 (claim 13 has been canceled).

Tomat et al. does not overcome the deficiencies noted above with respect to Berstis and

Anderson et al. Accordingly, these claims are patentable for at least the reasons set forth above

with respect to their corresponding independent claims. Withdrawal of the rejection is

requested.

In view of the foregoing, Applicant respectfully submits that this application is in

condition for allowance. Favorable reconsideration and prompt allowance are earnestly

solicited.

Should the Examiner believe that anything further would be desirable in order to place

this application in even better condition for allowance, the Examiner is invited to contact

Applicant's undersigned attorney at the telephone number set forth below.

Respectfully submitted,

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MAC/ccs

Attachments:

Request for Continued Examination

Petition for Extension of Time

Date: June 26, 2007

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